

DIRECT TESTIMONY

of

SCOTT TOLSDORF  
Accountant

Accounting Department  
Financial Analysis Division  
Illinois Commerce Commission

Ameren Illinois Company d/b/a Ameren Illinois  
Rider PSP – Power Smart Pricing Verification of Revenues Recovered

Docket No. 11-0669

January 31, 2012

TABLE OF CONTENTS

Witness Identification	1
Schedule Identification	2
Schedules and Adjustments	2
Tariff Language Issues	4

1 **Witness Identification**

2 **Q. Please state your name and business address.**

3 A. My name is Scott Tolsdorf. My business address is 527 East Capitol  
4 Avenue, Springfield, Illinois 62701.

5 **Q. By whom are you employed and in what capacity?**

6 A. I am currently employed as an Accountant in the Accounting Department  
7 of the Financial Analysis Division of the Illinois Commerce Commission  
8 ("ICC" or "Commission").

9 **Q. Please describe your professional background and affiliations.**

10 A. I received a Bachelors of Science in Liberal Studies from Excelsior  
11 College in Albany, New York, and am nearing completion of a Master's  
12 degree in Accounting from the University of Illinois- Springfield. I am a  
13 Certified Public Accountant and joined the Commission Staff ("Staff") in  
14 February 2010. Prior to the Commission, I was employed for four years  
15 as a staff accountant for a public accounting firm, and nine years in the  
16 U.S. Navy as an operator and instructor in the Naval Nuclear Power  
17 Program.

18 **Q. Have you previously testified before any regulatory bodies?**

19 A. Yes, I have testified on several occasions before the Commission.

20 **Q. What is the purpose of your testimony in this proceeding?**

21 A. The purpose of my testimony is to report the results of my review of  
22 Ameren Illinois Company's ("AIC" or "Company's") reconciliation of

23 revenues collected under Rider PSP with the actual cost associated with  
24 the Power Smart Pricing program.

25 **Schedule Identification**

26 **Q. Are you sponsoring any schedules as part of ICC Staff Exhibit 1.0?**

27 A. Yes. I am sponsoring the following schedules that show data as of the  
28 year ending December 31, 2010:

29	Schedule 1.01	Rider PSP – Reconciliation Summary
30	Schedule 1.02	Participation Charge Revenue Calculation
31	Schedule 1.03	Waived Incremental Metering Charge Calculation
32	Schedule 1.04	Program Administration Fees
33	Schedule 1.05	Program Evaluation Costs

34 **Schedules and Adjustments**

35 **Q. Please explain Staff Exhibit 1.0, Schedule 1.01.**

36 A. Schedule 1.01 presents a summary of the Company's proposed  
37 reconciliation, my adjustments to the recoverable costs and the revenues  
38 collected, and the resulting Staff proposed reconciliation. My proposed  
39 reconciliation shows the Company has under-collected \$557,289 and the  
40 Commission should order that this amount be included in the Company's  
41 next Rider PSP Informational filing.

42 **Q. Please explain Staff Exhibit 1.0, Schedule 1.02.**

43 A. Schedule 1.02 presents my adjustment to reflect the amount of  
44 Participation Charge Revenue which should be reported by the Company

for the reconciliation period. The Company's Data Request Response ST-1.01 Attach provided the number of Power Smart Pricing Program participants per month of the entire reconciliation period. The Rider PSP tariff states that customers taking service under this Rider will be charged a Participation Charge of \$2.25 per month. Schedule 1.02 multiplies the number of participants (provided by the Company) by the monthly participation charge of \$2.25. The product is Staff's calculated Participation Charge Revenue in accordance with the tariff.

**Q. Please explain Staff Exhibit 1.0, Schedule 1.03.**

A. Schedule 1.03 presents my adjustment to reflect the amount of Waived Incremental Metering Charge (WIC) which should be reported by the Company for the reconciliation period. All Rider PSP participants are necessarily receiving service under Rider RTP which includes a \$5 per month incremental metering charge. This fee is waived for Rider PSP participants and represents a recoverable cost to the Company of \$5 per month recovered from all Ameren Residential Customers. Schedule 1.03 is very similar to Schedule 1.02 in that it multiplies the number of participants by the waived fee per participating customer per month. The product is Staff's calculated WIC in accordance with the tariff.

**Q. Please explain Staff Exhibit 1.0, Schedule 1.04.**

A. Schedule 1.04 presents my adjustment to reflect the actual Program Administration Fees that were incurred by the Company during the reconciliation period. Ameren Exhibit 1.0, p. 9, presents only the amount

68 of Program Administrator Costs that were used to calculate rates that  
69 were in effect during the reconciliation period. The Program  
70 Administration Fees should be reported in the period incurred rather than  
71 in the period collected. Line Nos. 8 and 9 of Schedule 1.04 represents  
72 costs that were incurred from June 2010 through December 2010. These  
73 costs were used to calculate rates that were in effect in 2011 and thus  
74 were not included in the Company's reconciliation. Staff's adjustment  
75 properly places these 2010 costs in the 2007 through 2010 reconciliation  
76 period which is under review in this docket.

77 **Q. Please explain Staff Exhibit 1.0, Schedule 1.05.**

78 A. Schedule 1.05 presents my adjustment to reflect the actual Program  
79 Evaluation Costs that were incurred by the Company during the  
80 reconciliation period. The reasoning is the same as discussed for  
81 Schedule 1.04. The Company has not included all costs incurred during  
82 the reconciliation period and the reconciliation should reflect the costs  
83 incurred and the revenue generated during the reconciliation period.

84 **Tariff Language Issues**

85 **Q. Are there other issues that need to be addressed in this**  
86 **reconciliation?**

87 A. Yes. As stated in the Company's Direct Testimony, Ameren Exhibit 1.0, p.  
88 10, the Rider PSP tariff formula does not currently include a mechanism to  
89 address any over/under collections or Commission ordered adjustments.  
90 The Company has proposed to modify the tariff formula to account for

91 these types of adjustments. On page 11 of Ameren Exhibit 1.0, the  
92 Company provides the proposed formula with the associated descriptions  
93 of the proposed changes. Staff concurs with the Company's proposed  
94 tariff change and has no objections.

95 **Q. Are there any other tariff issues that should be addressed in this**  
96 **reconciliation?**

97 A. Yes. One of the variables in the Rider PSP formula is Ct. The definition of  
98 Ct as it currently exists in the tariff is inaccurate as to the actual use of this  
99 variable. Ct is defined in the tariff as:

100 Ct = Customers, equal to the number of Residential Customers for the  
101 applicable period used to develop prices in the Company's most  
102 recently approved Delivery Services rate cases.

103 Based upon the Commission's findings in the Delivery Service rate case,  
104 Docket No. 09-0306, the Company had approximately 1,065,000  
105 Residential Customers. Per the definition supplied in the existing tariff, Ct  
106 would equal 1,065,000. However, this is not how the Company calculates  
107 Ct. Rather, the Company uses the number of customer *bills* during the  
108 period rather than the number of *customers* to calculate Ct. Therefore,  
109 during a six month period the Ct would be calculated as 1,065,000  
110 Residential Customers times 6 monthly bills for a total of 6,390,000. While  
111 the Company is calculating Ct properly, the tariff language itself does not  
112 properly reflect the Company's practice and needs to be altered. Staff  
113 recommends the Company provide new tariff language in its rebuttal  
114 testimony to more accurately define Ct.

115    **Q.**     **Does this end your prepared direct testimony?**

116    **A.**     Yes.